GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1092
ANSWERED ON:24.10.2008
COMPLAINTS AGAINST INSURANCE COMPANIES
Kaushal Shri Raghuvir Singh

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has issued guidelines for the protection of the interests of the insurance policy holders;

(b) if so the details thereof;

(c) whether there is any mechanism for the redressal of the complaints of the insurance policy holders;and

(d) if so, the details thereof?

Answer

The Minister of State in the Ministry of Finance (Shri Pawan Kumar Bansal)

(a),(b),(c)& (d): Yes Sir.One of the objectives of the Insurance Regulatory and Development Authority (IRDA) inter alia,is to protect the interests of the policyholders.Accordingly,IRDA has notified the Insurance and Development Authority (Protection of Policyholders` Interest) Regulations,2002.These Regulations stipulate the duties and obligations of the insurers and policyholders in respect of an insurance contract, both at the point of sale and in the event of a claim,and setting up of in-house grievance redressal mechanism in the insurance companies.In pursuance of these regulations,the companies have set up in house grievance redressal mechanisms. In addition to this,for grievances relating to settlement of claims, policyholders may also approach the Insurance Ombudsmen, IRDA Grievance Cell, Consumer Fora or the Coutts.

With a view to ensure expeditious redressal of public grievances relating to the settlement of the claims,the Government has introduced a system of Ombudsman in the Insurance Sector with effect from 11th November, 1998.Insurance Ombdusmen are cUrrently located in 12 cities. Each Ombudsman is empowered to redress customer grievances in respect of insurance contracts on personal lines where the insured amount is less than Rs.20 lakhs.The insurer shall comply with the award given by the Ombudsman within 1.5 days of the receipt of the acceptance letter from the complainant and it shall intimate the compliance to the Ombudsman.